

**BOARD OF EDUCATION
UNIFIED SCHOOL DISTRICT NO. 360
Caldwell, Kansas**

**Financial Statements
June 30, 2011**

**with
Independent Auditors' Report**

UNIFIED SCHOOL DISTRICT NO. 360

Financial Statements

Year Ended June 30, 2011

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 360
Caldwell, Kansas

We have audited the accompanying financial statements of the individual funds of Unified School District No. 360, Caldwell, Kansas, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Kansas Municipal Audit Guide and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District's policy is to prepare its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of each of the various funds of Unified School District No. 360, Caldwell, Kansas, as of June 30, 2011, and the revenues received and expenditures paid of such funds for the year then ended on the basis of accounting described in Note 1.

This report is intended solely for the use of the management of Unified School District No. 360 and the Kansas Department of Education and should not be used for any other purpose.

Peterson Peterson & Zoss, LC

January 4, 2012

UNIFIED SCHOOL DISTRICT NO. 360
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
General	\$ (144,248)	\$ 2,206,479	\$ 2,157,476	\$ (95,245)	\$ -	\$ (95,245)
Supplemental General	(33,200)	760,726	718,451	9,075		9,075
Special Revenue:						
Capital Outlay	697,626	359,379	270,990	786,015		786,015
Contingency Reserve	228,756	-	-	228,756		228,756
Driver Training	5,055	666	3,761	1,960		1,960
Food Service	24,632	128,773	125,662	27,743		27,743
KPERs Special Retirement Contribution	-	88,828	88,828	-		-
At Risk Fund (4 Year Old)	-	15,748	15,748	-		-
At Risk Fund (K - 12)	-	240,000	240,000	-		-
Special Education	249,971	407,802	407,773	250,000		250,000
Textbook Rental	4,413	4,200	4,413	4,200		4,200
Professional Development	-	8,119	3,119	5,000		5,000
Vocational Education	-	87,481	87,481	-		-
Parent Education	-	6,385	6,385	-		-
Recreation Commission	11,464	22,974	14,059	20,379		20,379
Gate Receipts	4,387	24,424	25,462	3,349		3,349
School Projects	15,066	23,394	18,620	19,840		19,840
Revolving Funds	19,572	45,529	33,096	32,005		32,005
Miscellaneous Grants	18,788	4,927	7,802	15,913		15,913
Federal Projects:						
Title I	(805)	81,870	81,065	-		-
Title II, Part D, Tech Ed	-	195	195	-		-
Title IIA Teacher Quality	-	25,617	25,611	6		6
Debt Service:						
Bond and Interest	363,065	362,881	365,632	360,314		360,314
Fiduciary Type Funds:						
Nonexpendable Trusts:						
Scholarship Funds	73,134	1,361	1,250	73,245		73,245
Total Reporting Entity	\$ 1,537,676	\$ 4,907,758	\$ 4,702,879	\$ 1,742,555	\$ -	\$ 1,742,555

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Year Ended June 30, 2011

Composition of Cash:

Checking Account - Stock Exchange Bank	\$ 454,220
Checking Accounts - Caldwell State Bank (excess of outstanding checks over bank balance)	(161,024)
Money Market Account - Caldwell State Bank	1,379,485
Certificate of Deposit - F.A. Petrik Scholarship	10,250
Certificate of Deposit - Czech Chapter Scholarship	2,685
Certificate of Deposit - Charles E. Baker Scholarship	46,001
Certificate of Deposit - H.E. Dodson Memorial Scholarship	12,836
Certificate of Deposit - Lebeda Memorial Scholarship	1,473
Revolving Funds	22,927
Total cash	<u>1,768,853</u>

Agency Funds per Statement 4

(26,298)

Total Reporting Entity

\$ 1,742,555

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Summary of Expenditures - Actual and Budget
Year Ended June 30, 2011

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply With Legal Max</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
General	\$ 2,161,264	\$ (3,788)	\$ 2,157,476	\$ 2,157,476	\$ -
Supplemental General	718,451		718,451	718,451	-
Special Revenue:					
Capital Outlay	832,964		832,964	270,990	561,974
Driver Training	5,105		5,105	3,761	1,344
Food Service	172,917		172,917	125,662	47,255
KPERs Special Retirement Contribution	125,054		125,054	88,828	36,226
At Risk Fund (4 Year Old)	14,042		14,042	15,748	(1,706)
At Risk Fund (K - 12)	240,000		240,000	240,000	-
Special Education	546,647		546,647	407,773	138,874
Professional Development	5,000		5,000	3,119	1,881
Vocational Education	100,000		100,000	87,481	12,519
Parent Education	6,385		6,385	6,385	-
Recreation Commission	23,000		23,000	14,059	8,941
Debt Service:					
Bond and Interest	366,267		366,267	365,632	635

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 235,480	\$ 252,101	\$ 16,621
Delinquent tax	3,138	2,520	(618)
Mineral production tax	2,500	4,422	1,922
State aid:			
Equalization aid	1,597,109	1,555,017	(42,092)
Special education aid	281,558	288,731	7,173
Federal Aid			
ARRA Stabilization Funds	37,691	37,691	
Education Jobs Funds	-	65,997	65,997
Total cash receipts	2,157,476	2,206,479	49,003
Expenditures:			
Instruction	909,123	664,060	245,063
Student support service	18,391	18,175	216
Instructional support service	6,150	14,645	(8,495)
General administration	186,046	183,924	2,122
School administration	154,213	153,469	744
Operation and maintenance	123,435	120,745	2,690
Student transportation service	8,084	8,022	62
Vehicle operating service	61,500	64,622	(3,122)
Student activities	-	16,879	(16,879)
Transfers to:			
Capital Outlay Fund	58,222	262,856	(204,634)
Driver Training Fund	2,000	-	2,000
Food Service Fund	7,500	10,000	(2,500)
Special Education Fund	281,558	288,731	(7,173)
Professional Development Fund	1,000	8,119	(7,119)
Vocational Education Fund	90,000	87,481	2,519
At Risk Fund (4 year old)	14,042	15,748	(1,706)
At Risk Fund (K-12)	240,000	240,000	-
Adjustment to comply with legal max	(3,788)	-	(3,788)
Total expenditures	2,157,476	2,157,476	-
Receipts Over (Under) Expenditures	-	49,003	49,003
Unencumbered Cash, Beginning	-	(144,248)	(144,248)
Unencumbered Cash, Ending	\$ -	\$ (95,245)	\$ (95,245)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
 Supplemental General Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 388,026	\$ 426,619	\$ 38,593
Delinquent tax	4,997	6,176	1,179
Motor vehicle tax	46,732	32,402	(14,330)
State aid:			-
Supplemental state aid	261,944	295,529	33,585
Total cash receipts	<u>701,699</u>	<u>760,726</u>	<u>59,027</u>
Expenditures:			
Instruction	380,124	458,345	(78,221)
Student support service	5,000	6,711	(1,711)
Instructional support service	2,000	-	2,000
Operation and maintenance	144,942	129,164	15,778
Student activities	-	3,123	(3,123)
Transfers to:			
Special Education Fund	170,000	114,723	55,277
Parent Education Fund	6,385	6,385	-
Vocational Education Fund	10,000	-	10,000
Total expenditures	<u>718,451</u>	<u>718,451</u>	<u>-</u>
Receipts Over (Under) Expenditures	(16,752)	42,275	59,027
Unencumbered Cash, Beginning	<u>16,752</u>	<u>(33,200)</u>	<u>(49,952)</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 9,075</u>	<u>\$ 9,075</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 66,867	\$ 70,690	\$ 3,823
Delinquent tax	832	874	42
Motor vehicle tax	8,719	6,043	(2,676)
Interest earnings	-	10,329	10,329
Other income	-	8,587	8,587
Transfer from General Fund	58,222	262,856	204,634
Total cash receipts	<u>134,640</u>	<u>359,379</u>	<u>224,739</u>
Expenditures:			
Facility acquisition and construction services	<u>832,964</u>	<u>270,990</u>	<u>561,974</u>
Receipts Over (Under) Expenditures	(698,324)	88,389	786,713
Unencumbered Cash, Beginning	<u>698,324</u>	<u>697,626</u>	<u>(698)</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 786,015</u>	<u>\$ 786,015</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2011

Unencumbered Cash, Beginning	<u>\$ 228,756</u>
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Unencumbered Cash, Ending	<u><u>\$ 228,756</u></u>
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The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
 Driver Training Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash receipts:			
State aid	\$ 1,050	\$ 666	\$ (384)
Fees	2,000	-	(2,000)
Total cash receipts	<u>3,050</u>	<u>666</u>	<u>(2,384)</u>
Expenditures:			
Instruction	<u>5,105</u>	<u>3,761</u>	<u>1,344</u>
Receipts Over (Under) Expenditures	(2,055)	(3,095)	(1,040)
Unencumbered Cash, Beginning	<u>5,055</u>	<u>5,055</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 3,000</u></u>	<u><u>\$ 1,960</u></u>	<u><u>\$ (1,040)</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Cash receipts:			
State aid	\$ 1,360	\$ 1,262	\$ (98)
Federal aid	74,560	66,383	(8,177)
Charges for services	64,866	51,128	(13,738)
Transfer from General Fund	7,500	10,000	2,500
Total cash receipts	<u>148,286</u>	<u>128,773</u>	<u>(19,513)</u>
Expenditures:			
Food service operation	45,000	43,145	1,855
Employee benefits	3,493	3,288	205
Supplies	116,424	76,081	40,343
Equipment and furniture	5,000	1,667	3,333
Miscellaneous	3,000	1,481	1,519
Total expenditures	<u>172,917</u>	<u>125,662</u>	<u>47,255</u>
Receipts Over (Under) Expenditures	(24,631)	3,111	27,742
Unencumbered Cash, Beginning	<u>24,631</u>	<u>24,632</u>	<u>1</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 27,743</u>	<u>\$ 27,743</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
 KPERS Special Retirement Contribution Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
State aid	\$ 125,054	\$ 88,828	\$ (36,226)
Expenditures:			
Instruction	94,304	53,297	41,007
Student support service	1,250	5,330	(4,080)
Instructional support service	500	4,441	(3,941)
General administration	7,500	5,330	2,170
School administration	10,000	5,330	4,670
Operations and maintenance	7,500	7,106	394
Student transportation service	1,000	4,441	(3,441)
Food service	3,000	3,553	(553)
Total expenditures	<u>125,054</u>	<u>88,828</u>	<u>36,226</u>
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
At Risk Fund (4 Year Old)
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Transfer from General Fund	\$ 14,042	\$ 15,748	\$ 1,706
Expenditures:			
Instruction	<u>14,042</u>	<u>15,748</u>	<u>(1,706)</u>
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
At Risk Fund (K-12)
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Transfer from General Fund	\$ 240,000	\$ 240,000	\$ -
Expenditures:			
Instruction	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Reimbursements	\$ -	\$ 4,348	\$ 4,348
Transfers from:			
General Fund	281,558	288,731	7,173
Supplemental General Fund	170,000	114,723	(55,277)
Total cash receipts	<u>451,558</u>	<u>407,802</u>	<u>(43,756)</u>
Expenditures:			
Payments to Co-op	546,647	407,773	138,874
Other	154,882	-	154,882
Total expenditures	<u>701,529</u>	<u>407,773</u>	<u>293,756</u>
Receipts Over (Under) Expenditures	(249,971)	29	250,000
Unencumbered Cash, Beginning	<u>249,971</u>	<u>249,971</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Textbook Rental Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2011

Cash receipts:	
Rental fees and books	\$ 4,200
Expenditures:	
Textbooks	<u>4,413</u>
Receipts Over (Under) Expenditures	(213)
Unencumbered Cash, Beginning	<u>4,413</u>
Unencumbered Cash, Ending	<u><u>\$ 4,200</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Other	\$ 4,000	\$ -	\$ (4,000)
Transfers from:			
General Fund	<u>1,000</u>	<u>8,119</u>	<u>7,119</u>
Total cash receipts	<u>5,000</u>	<u>8,119</u>	<u>3,119</u>
Expenditures:			
Instructional support services	<u>5,000</u>	<u>3,119</u>	<u>1,881</u>
Receipts Over (Under) Expenditures	-	5,000	5,000
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Transfers from:			
General Fund	\$ 90,000	\$ 87,481	\$ (2,519)
Supplemental General Fund	10,000	-	(10,000)
Total cash receipts	<u>100,000</u>	<u>87,481</u>	<u>(12,519)</u>
Expenditures:			
Instruction	<u>100,000</u>	<u>87,481</u>	<u>12,519</u>
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
 Parent Education Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Transfers from Supplemental General Fund	\$ 6,385	\$ 6,385	\$ -
Expenditures:			
Program expenditures	<u>6,385</u>	<u>6,385</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
 Recreation Commission Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 20,018	\$ 20,994	\$ 976
Delinquent tax	203	272	69
Motor vehicle tax	2,471	1,708	(763)
Total cash receipts	<u>22,692</u>	<u>22,974</u>	<u>282</u>
Expenditures:			
Community service operations	<u>23,000</u>	<u>14,059</u>	<u>8,941</u>
Receipts Over (Under) Expenditures	(308)	8,915	9,223
Unencumbered Cash, Beginning	<u>11,464</u>	<u>11,464</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 11,156</u>	<u>\$ 20,379</u>	<u>\$ 9,223</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Miscellaneous Grants Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2011

Cash receipts:	
Miscellaneous grants	\$ 4,927
Expenditures:	
Grant expenses	<u>7,802</u>
Receipts Over (Under) Expenditures	(2,875)
Unencumbered Cash, Beginning	<u>18,788</u>
Unencumbered Cash, Ending	<u><u>\$ 15,913</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
 Federal Projects Fund
 Statement of Cash Receipts and Expenditures - Actual
 Year Ended June 30, 2011

	Title I	Title II Part D Tech Ed	Title IIA Teacher Quality
Cash receipts:			
Federal aid:			
General Aid	\$ 57,477	\$ 195	\$ 25,617
ARRA Stabilization Funds	24,393	-	-
	<u>81,870</u>	<u>195</u>	<u>25,617</u>
Expenditures:			
Instruction and supplies	<u>81,065</u>	<u>195</u>	<u>25,611</u>
Receipts Over (Under) Expenditures	805	-	6
Unencumbered Cash, Beginning	<u>(805)</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
 Bond and Interest Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 233,464	\$ 250,197	\$ 16,733
Delinquent tax	3,511	4,896	1,385
Motor vehicle tax	34,307	23,772	(10,535)
State aid	84,011	84,011	-
Miscellaneous income	-	5	5
Total cash receipts	<u>355,293</u>	<u>362,881</u>	<u>7,588</u>
Expenditures:			
Principal	250,000	250,000	-
Interest	115,267	115,266	1
Postage	1,000	366	634
Total expenditures	<u>366,267</u>	<u>365,632</u>	<u>635</u>
Receipts Over (Under) Expenditures	(10,974)	(2,751)	8,223
Unencumbered Cash, Beginning	<u>363,064</u>	<u>363,065</u>	<u>1</u>
Unencumbered Cash, Ending	<u><u>\$ 352,090</u></u>	<u><u>\$ 360,314</u></u>	<u><u>\$ 8,224</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
Nonexpendable Trust Fund
Scholarship Funds
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2011

Cash receipts:	
Contributions and interest	\$ 1,361
Expenditures:	
Scholarships awarded	<u>1,250</u>
Receipts Over (Under) Expenditures	111
Unencumbered Cash, Beginning	<u>73,134</u>
Unencumbered Cash, Ending	<u><u>\$ 73,245</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
School Activity Funds
Statement of Cash Receipts and Cash Disbursements - Actual
Year Ended June 30, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
Annual	\$ 721	\$ 12,238	\$ 12,606	\$ 353
Bluejay Web Club	132	-	-	132
Student Agendas	130	5	-	135
Class of 2006	371	-	371	-
Class of 2007	310	-	310	-
Class of 2009	341	-	341	-
Class of 2010	208	-	208	-
Class of 2011	2,210	240	2,026	424
Class of 2012	1,056	4,869	3,544	2,381
Class of 2013	583	3,290	2,079	1,794
Class of 2014	138	3,682	2,414	1,406
Class of 2015	75	25	-	100
Class of 2016	25	50	-	75
Concessions	7,762	33,231	32,388	8,605
F.C.A.	41	382	-	423
Kayettes	707	3,087	3,387	407
National Honor Society	500	5	28	477
CHS Cheerleaders	809	1,744	2,024	529
JH Jay Squad	29	-	-	29
HS Jay Squad	95	-	-	95
Student Council	340	2,398	827	1,911
Robot Club	192	-	-	192
Engraving Fund	46	-	-	46
Math	725	-	-	725
Forensics	50	-	-	50
Bluejay Academy	1,348	430	301	1,477
JHS Cheerleaders	708	307	198	817
Summer Academy	198	-	-	198
TSA	232	-	155	77
Padlock	505	80	505	80
Miscellaneous fees	2,345	1,035	20	3,360
Total Student Organization Funds	<u>\$ 22,932</u>	<u>\$ 67,098</u>	<u>\$ 63,732</u>	<u>\$ 26,298</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360
 District Activity Funds
 Statement of Cash Receipts, Expenditures and Unencumbered Cash
 Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
Gate Receipts:						
Athletics	\$ 3,344	\$ 23,766	\$ 24,864	\$ 2,246	\$	\$ 2,246
School play	1,043	658	598	1,103		1,103
Total gate receipts	4,387	24,424	25,462	3,349	-	3,349
School Projects:						
Special project	6,607	13,531	12,670	7,468		7,468
Band	2,188	3,800	1,921	4,067		4,067
Vocal music	189	2,220	1,396	1,013		1,013
IRC project	52	-	-	52		52
FACS project	951	855	949	857		857
Elementary school activities	5,079	2,988	1,684	6,383		6,383
Total school projects	15,066	23,394	18,620	19,840	-	19,840
Revolving Funds:						
Art	1,491	812	6	2,297		2,297
Hot lunch	659	8,155	4,260	4,554		4,554
Music	30	314	285	59		59
Textbook	576	5,590	5,123	1,043		1,043
Towel	452	466	38	880		880
Superintendent	500	-	-	500		500
CHS Principal	250	-	-	250		250
CES Principal	250	-	-	250		250
Industrial arts fee	1,495	2,853	3,564	784		784
Technology fee	2,305	4,445	1,699	5,051		5,051
Instrument rental	992	100	212	880		880
Photo Fee	40	-	-	40		40
Driver education	259	2,250	40	2,469		2,469
Metal production	154	525	180	499		499
Tees and things	1,424	7,299	7,030	1,693		1,693
Videography	2,261	407	57	2,611		2,611
District expenses	2,211	10,399	8,630	3,980		3,980
Catch it Kansas	507	130	-	637		637
Computer graphic	1,872	1,784	1,972	1,684		1,684
Scott Rice memorial	1,356	-	-	1,356		1,356
Surplus sales	488	-	-	488		488
Total revolving funds	19,572	45,529	33,096	32,005	-	32,005
Total	\$ 39,025	\$ 93,347	\$ 77,178	\$ 55,194	\$ -	\$ 55,194

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360

Notes to Financial Statements

June 30, 2011

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Unified School District No. 360 (the District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management, who is responsible for their integrity and objectivity. These accounting policies conform to a comprehensive basis of accounting other than generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Reporting Entity

Unified School District No. 360 is a municipal corporation located in Caldwell, Kansas, governed by an elected seven-member board. The Caldwell Board of Education ("Board") is the basic level of government, which has financial accountability, and control over all activities related to the public school education in the City of Caldwell, Kansas. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Government Accounting Standards Board Statement 14, which are included in the District's reporting entity.

Basis of Presentation

Fund Accounting - A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the fiscal year of 2011:

Governmental Funds

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specified purposes.

UNIFIED SCHOOL DISTRICT NO. 360

Notes to Financial Statements

June 30, 2011

1. Summary of Significant Accounting Policies (continued)

Debt Service Fund -- to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt.

Fiduciary Funds

Nonexpendable Trust and Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Basis of Accounting

Statutory Basis of Accounting. The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a waiver from generally accepted accounting principles, allowed by the State of Kansas, which allows the District to report on the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America. The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds and compensated absences are not presented in the financial statements.

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
June 30, 2011

2. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and debt service fund. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget of the Professional Development Fund was amended for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

UNIFIED SCHOOL DISTRICT NO. 360

Notes to Financial Statements

June 30, 2011

2. Budgetary Information (continued)

A legal operating budget is not required for capital projects funds, trust funds and the following special revenue funds:

Contingency Reserve
Textbook Rental
Gate Receipts
School Projects
Revolving Funds
Miscellaneous Grants
Federal Projects
School Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

3. Interfund Transfers

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenue were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Capital Outlay Fund	K.S.A. 72-6428	\$262,856
General Fund	Special Education Fund	K.S.A. 72-6428	288,731
General Fund	Professional Development Fund	K.S.A. 72-6428	8,119
General Fund	Vocational Education Fund	K.S.A. 72-6428	87,481
General Fund	Food Service Fund	K.S.A. 72-6428	10,000
General Fund	At Risk Fund (4 Year Old)	K.S.A. 72-6428	15,748
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	240,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6428	114,723
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6428	6,385

UNIFIED SCHOOL DISTRICT NO. 360

Notes to Financial Statements

June 30, 2011

4. Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefits provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% (Tier 1) and 6% (Tier 2) of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.57% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009 were \$188,864,532, \$248,468,186, and \$242,277,363, respectively, equal to the required contributions for each year. The amounts attributable to the District for the years ending June 30, 2011, 2010 and 2009 were \$101,855, \$104,212, and \$88,828. Remaining balance due from the State for year ending June 30, 2011 of \$64,969,692 was received by July 12, 2011.

5. Compensated Absences

Vacation

After one year of continuous service, the full-time classified staff shall receive ten working days of vacation with pay. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated. Hence, there is no liability for accrued vacation pay at June 30, 2011.

General Leave

Both certified and classified employees begin each year with ten days general leave. Part time employees receive general leave days based upon their proportionate number of days worked. Unused general leave will be allowed to accumulate to seventy-five days. Unused general leave is not additional compensation, and payment will not be made for unused general leave.

UNIFIED SCHOOL DISTRICT NO. 360

Notes to Financial Statements

June 30, 2011

Upon retirement or termination, if a certified employee has total unused accumulated personal days prior to June 30, 1996 and ten years of service with the District, the employee shall receive pay at the daily rate equivalent to the substitute teacher's daily rate. The District will not pay for personal days accumulated after June 30, 1996. The estimated liability at June 30, 2011, if all employees were to receive the benefit of their accumulated personal days, would be \$2,558.

6. Deposits and Investments

Deposits

At June 30, 2011, the carrying amount of the District's deposits, including certificates of deposit was \$1,768,853. The bank balance was \$1,656,277 for Caldwell State Bank and \$77,597 for the Stock Exchange Bank. The difference between the carrying amount and the bank balances is outstanding checks and deposits in transit. Of the bank balance \$500,000 was covered by FDIC insurance and the remaining \$1,268,853 was collateralized by pledged securities held under joint custody receipts issued by third-party banks in the District's name. The third-party banks holding the pledged securities are independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the District, the pledging bank and the independent third-party bank holding the pledged securities.

Investments

Kansas statutes authorize the District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Municipal Investment Pool. All investments must be insured, registered, or held by the District or its agent in the District's name. The District's investments are categorized to give indications of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

At year ended June 30, 2011, the District had no investments which are required to be categorized in the risk categories discussed in the preceding paragraph.

UNIFIED SCHOOL DISTRICT NO. 360

Notes to Financial Statements

June 30, 2011

7. Lease Commitments

At June 30, 2011, the District was leasing Sharp copy machines under non-cancelable operating leases. The District also pays a per copy fee in addition to the lease payment. Future minimum lease payments under the operating leases are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2012	\$ 15,261
2013	15,261
2014	15,261
2015	15,261
2016	<u>15,260</u>
Total	<u>\$76,304</u>

8. Early Retirement

The District discontinued all early retirement plans in 2008-2009. There were seven employees grandfathered into 3 different earlier plans. As of the 2009-2010 school year, five of those people had retired under those plans. Future estimated early retirement benefits for the next four years are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2011	\$64,890
2012	45,524
2013	24,624
2014	7,200
2015	7,200

9. Risk Management

The District manages risk primarily through the purchase of insurance coverage from commercial insurers.

10. Subsequent Events

Subsequent events have been evaluated through January 4, 2012, which is the date the financial statements were available to be issued. There were no such events identified to be disclosed.

UNIFIED SCHOOL DISTRICT NO. 360

Notes to Financial Statements

June 30, 2011

11. Compliance with Kansas Statutes

The District was in violation of K.S.A. 9-1402, regarding depository securities for public funds, with bank deposits of District funds being under-secured for a short period during the year.

The District was in violation of K.S.A. 79-2935, regarding expenditures in excess of budgeted limits. The state aid received exceeded the published budget amount, resulting in the At Risk Fund (4 Year Old) exceeding the budget limit by \$1,706.

Management is aware of no other statutory violations for the year ended June 30, 2011.

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) requires the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30.

UNIFIED SCHOOL DISTRICT NO. 360
GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
Year Ended June 30, 2011

	<u>Budget</u>	<u>Statutory Transactions</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory revenues:			
Taxes and shared revenue:			
Ad valorem property	\$ 235,480	\$ 252,101	\$ 16,621
Delinquent tax	3,138	2,520	(618)
Mineral production tax	2,500	4,422	1,922
State aid:			-
Equalization aid	1,597,109	1,506,014	(91,095)
Special education aid	281,558	288,731	7,173
Federal aid			-
ARRA Stabilization Funds	37,691	37,691	-
Education Jobs Funds	-	65,997	65,997
Total statutory revenues	<u>2,157,476</u>	<u>2,157,476</u>	<u>-</u>
Expenditures:			
Instruction	909,123	664,060	245,063
Student support service	18,391	18,175	216
Instructional support service	6,150	14,645	(8,495)
General administration	186,046	183,924	2,122
School administration	154,213	153,469	744
Operation and maintenance	123,435	120,745	2,690
Student transportation service	8,084	8,022	62
Vehicle operating service	61,500	64,622	(3,122)
Student activities	-	16,879	(16,879)
Transfers to:			-
Capital Outlay Fund	58,222	262,856	(204,634)
Driver Training Fund	2,000		2,000
Food Service	7,500	10,000	(2,500)
Special Education Fund	281,558	288,731	(7,173)
Professional Development Fund	1,000	8,119	(7,119)
Vocational Education Fund	90,000	87,481	2,519
At Risk Fund (4 year old)	14,042	15,748	(1,706)
At Risk Fund (K-12)	240,000	240,000	-
Revised legal maximum budget	<u>(3,788)</u>	<u>-</u>	<u>(3,788)</u>
Total expenditures	<u>2,157,476</u>	<u>2,157,476</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	-	-	-
Modified Unencumbered Cash, Beginning	-	-	-
Modified Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 360
SUPPLEMENTAL GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
Year Ended June 30, 2011

	<u>Budget</u>	<u>Statutory Transactions</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory revenues:			
Taxes and shared revenue:			
Ad valorem property	\$ 388,026	\$ 426,619	\$ 38,593
Delinquent tax	4,997	6,176	1,179
Motor vehicle tax	46,732	32,402	(14,330)
State aid:			-
Supplemental state aid	261,944	261,090	(854)
Total statutory revenues	<u>701,699</u>	<u>726,287</u>	<u>24,588</u>
Expenditures:			
Instruction	380,124	458,345	(78,221)
Student support service	5,000	6,711	(1,711)
Instructional support service	2,000	-	2,000
Operation and maintenance	144,942	129,164	15,778
Student activities	-	3,123	(3,123)
Transfers to:			
Special Education Fund	170,000	114,723	55,277
Parent Education Fund	6,385	6,385	-
Vocational Education Fund	10,000	-	10,000
Total expenditures	<u>718,451</u>	<u>718,451</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	(16,752)	7,836	24,588
Modified Unencumbered Cash, Beginning	<u>16,752</u>	<u>16,751</u>	<u>(1)</u>
Modified Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 24,587</u>	<u>\$ 24,587</u>

UNIFIED SCHOOL DISTRICT NO. 360

Notes to Financial Statements

Year Ended June 30, 2011

12. Long-term debt

Changes to long-term liabilities for the District for the year ended June 30, 2011 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2001	4.1% - 4.7%	3/1/2001	\$4,800,000	9/1/2021	\$ 215,000	\$ -	\$ 215,000	\$ -	\$ -	\$ 4,569
Series 2009	2.0% - 3.8%	9/1/2009	3,625,000	9/1/2021	3,625,000	-	35,000	-	3,590,000	110,697
Capital Leases:										
Bobcat Skid Steer	** 5.4%	1/17/2010	24,051	11/17/2011	-	24,051	3,392	-	20,659	-
Total Contractual Indebtedness					3,840,000	24,051	253,392	-	3,610,659	115,266
Compensated Absences					2,558	-	-	-	2,558	-
Total Long-Term Debt					<u>\$ 3,842,558</u>	<u>\$ 24,051</u>	<u>\$ 253,392</u>	<u>\$ -</u>	<u>\$ 3,613,217</u>	<u>\$ 115,266</u>

** - The Bobcat Skid Steer lease is replaced each year with a lease for a new machine with only a minimal payment being made. However, if the machine is not turned in the lease payment would be due.

Annual Debt Service Requirements

	2012	2013	2014	2015	2016	2017-2021	2022-thereafter	Total
Principal								
General obligation bonds	\$ 265,000	\$ 275,000	\$ 290,000	\$ 295,000	\$ 310,000	\$ 1,755,000	\$ 400,000	\$ 3,590,000
Capital leases	20,659	-	-	-	-	-	-	20,659
Total Principal	<u>285,659</u>	<u>275,000</u>	<u>290,000</u>	<u>295,000</u>	<u>310,000</u>	<u>1,755,000</u>	<u>400,000</u>	<u>3,610,659</u>
Interest								
General obligation bonds	107,697	101,954	95,597	88,279	79,573	235,814	7,600	716,514
Capital leases	997	-	-	-	-	-	-	997
Total Interest	<u>108,694</u>	<u>101,954</u>	<u>95,597</u>	<u>88,279</u>	<u>79,573</u>	<u>235,814</u>	<u>7,600</u>	<u>717,511</u>
Total Principal and Interest	<u>\$ 394,353</u>	<u>\$ 376,954</u>	<u>\$ 385,597</u>	<u>\$ 383,279</u>	<u>\$ 389,573</u>	<u>\$ 1,990,814</u>	<u>\$ 407,600</u>	<u>\$ 4,328,170</u>